



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JEROME HORTON, CHAIR
450 N STREET, SACRAMENTO, ROOM 121
JANUARY 16, 2014**

----- Committee Report and Action Summary -----

I. 2014 LEGISLATIVE PROPOSALS

**BUSINESS TAXES
SALES AND USE TAXES**

2014 Legislative Proposals

Set forth below are suggestions for legislation to be sponsored by the BOE in the second year of the 2013-14 Legislative Session (see attachments).

**Suggestion
Number**

[3-1](#) Amend Revenue and Taxation Code Section 6007 of, and add Revenue and Taxation Code Section 6009.2 to, the Sales and Use Tax Law to define "retail sale," "sale at retail," and "storage" and "use" to include any sale or purchase of counterfeit tangible personal property, as specified, regardless of whether the sale is for resale in the regular course of business.

Source: Honorable Jerome E. Horton

Revenue Impact: State and local revenues associated with counterfeit goods seizures is approximately \$1.8 million. However, persons from whom this property is seized may face significant fines and imprisonment. Accordingly, total tax collections may be considerably less.

COMMITTEE RECOMMENDATION: ADOPT (5-0)

Suggestion

Number

3-2

Amend Public Resources Code (PRC) Section 4629.5 to (1) allow retailers to claim a bad debt deduction for the lumber products assessment and (2) establish a threshold of annual sales of \$25,000 in qualifying lumber products, under which a retailer is not required to collect the lumber product assessment.

Source: Honorable George Runner

Revenue Impact: Approximately \$50,000 annual revenue loss from bad debt allowance and the small seller exemption.

COMMITTEE RECOMMENDATION:

PART 1: ADOPT (5-0)

**PART 2: ADOPT WITH INTENT TO RE-EXAMINE PROPOSED
RETAILER THRESHOLD AFTER ONE YEAR'S REPORTED AMOUNTS
KNOWN (5-0)**

3-3

PULLED

~~Amend Revenue and Taxation Code Section 6479.3 of the Sales and Use Tax Law to require taxpayers with sales and use tax liabilities averaging \$20,000 or more per month, rather than \$10,000 or more per month, to remit their tax payments via an electronic funds transfer.~~

~~Source: Sales and Use Tax Department~~

~~Revenue Impact: Annual \$21,000 loss in interest income.~~

3-4

PULLED

~~Add Revenue and Taxation code Section 6369.6 to the Sales and Use Tax Law to provide a sales and use tax exemption for terminally ill patients on purchases of medical marijuana.~~

~~Source: Honorable Jerome E. Horton~~

~~Revenue Impact: Pending.~~

BUSINESS TAXES SPECIAL TAXES AND FEES

2014 Legislative Proposals

Set forth below are suggestions for legislation to be sponsored by the BOE in the second year of the 2013-14 Legislative Session (see attachments).

Suggestion Number

[4-1](#)

Add the Managed Audit Program authority to the following Special Tax and Fee programs: Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Energy Resources Surcharge Law, Emergency Telephone Users Surcharge Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, and Diesel Fuel Tax Law.

Source: Property and Special Taxes Department

Revenue Impact: Annual \$277,000 net revenue gain from lost interest income offset by revenue from increased available audit hours.

COMMITTEE RECOMMENDATION: ADOPT (5-0)

II. DISCUSSION ITEM

Status of BOE-sponsored Assembly Bill 919 (Williams)

No Vote – Discussion Item Only.

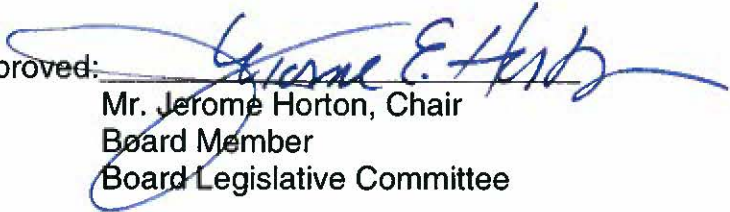
**BOARD OF EQUALIZATION
BOARD COMMITTEE ON LEGISLATION
January 16, 2016**

Attending: Honorable Jerome Horton, Chair, Honorable Betty T. Yee, Honorable George Runner, Honorable Michelle Steel, and Marcy Jo Mandel

<u>Suggestion No.</u>	<u>Horton</u>	<u>Yee</u>	<u>Runner</u>	<u>Steel</u>	<u>Chiang/ Mandel</u>	<u>Committee Recommendation</u>
BUSINESS TAXES SALES AND USE TAXES						
3-1	Y	Y	Y	Y	Y	ADOPT (5-0)
3-2 (1)	Y	Y	Y	Y	Y	ADOPT (5-0)
3-2 (2)	Y	Y	Y	Y	Y	ADOPT (5-0)
3-3	PULLED					
3-4	PULLED					

BUSINESS TAXES SPECIAL TAXES AND FEES						
4-1	Y	Y	Y	Y	Y	ADOPT (5-0)

Approved: _____


Mr. Jerome Horton, Chair
Board Member
Board Legislative Committee


Cynthia Bridges, Executive Director

BOARD APPROVED


At the February 25-27, 2014 Board Meeting